GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:3921
ANSWERED ON:14.12.2000
REVIVAL OF WOOLLEN MILLS
BHAWANA GAWALI (PATIL)

Will the Minister of TEXTILES be pleased to state:

(a) whether any report has been prepared by the Woollen Research Association for the revival of Woollen Mills in the country; and

(b) If so, the details thereof and the reaction of the Government thereto?

Answer

MINISTER OF STATE FOR TEXTILES(SHRI V. DHANANJAYA KUMAR)

(a) Yes, Sir.

(b) Wool Research Association (WRA) has submitted a techno economic viability study report for New Egerton Woollen Mills, Dhariwal and Cawnpore Woollen Mills, Kanpur, both units of British India Corporation Ltd. Based on the report of the WRA and the revival proposal submitted by British India Corporation (BIC), the Government has approved a revival proposal for the BIC woollen mills at an estimated cost of Rs. 211 crores to be met by sale of surplus land and assets (Rs. 125 crores) and budgetary support of Rs. 49 crores as grant and Rs. 37/- crores as interest free loan, in addition to writing off of interest on Government loans and conversion of principal loan into equity. As the cases of the BIC woollen mills are before the High Court of Allahabad for winding up, action has been taken to request the High Court to remand the matter back to the BIFR to enable it to consider the revival proposal.